

E AND R AMENDMENTS TO LB 603

Introduced by Enrollment and Review Committee: McGill, 26,
Chairperson

1 1. Strike the original sections and all amendments
2 thereto and insert the following new sections:

3 Section 1. Section 13-503, Revised Statutes Cumulative
4 Supplement, 2006, is amended to read:

5 13-503 For purposes of the Nebraska Budget Act, unless
6 the context otherwise requires:

7 (1) Governing body shall mean the governing body of
8 any county agricultural society, elected county fair board, joint
9 airport authority formed under the Joint Airport Authorities
10 Act, city or county airport authority, bridge commission created
11 pursuant to section 39-868, cemetery district, city, village,
12 municipal county, community college, community redevelopment
13 authority, county, drainage or levee district, educational
14 service unit, rural or suburban fire protection district,
15 historical society, hospital district, irrigation district,
16 learning community, natural resources district, nonprofit county
17 historical association or society for which a tax is levied under
18 subsection (1) of section 23-355.01, public building commission,
19 railroad transportation safety district, reclamation district,
20 road improvement district, rural water district, school district,
21 sanitary and improvement district, township, offstreet parking
22 district, transit authority, metropolitan utilities district,
23 Educational Service Unit Coordinating Council, and political

1 subdivision with the authority to have a property tax request, with
2 the authority to levy a toll, or that receives state aid;

3 (2) Levying board shall mean any governing body which has
4 the power or duty to levy a tax;

5 (3) Fiscal year shall mean the twelve-month period used
6 by each governing body in determining and carrying on its financial
7 and taxing affairs;

8 (4) Tax shall mean any general or special tax levied
9 against persons, property, or business for public purposes as
10 provided by law but shall not include any special assessment;

11 (5) Auditor shall mean the Auditor of Public Accounts;

12 (6) Cash reserve shall mean funds required for the period
13 before revenue would become available for expenditure but shall not
14 include funds held in any special reserve fund;

15 (7) Public funds shall mean all money, including nontax
16 money, used in the operation and functions of governing bodies.
17 For purposes of a county, city, or village which has a lottery
18 established under the Nebraska County and City Lottery Act, only
19 those net proceeds which are actually received by the county, city,
20 or village from a licensed lottery operator shall be considered
21 public funds, and public funds shall not include amounts awarded as
22 prizes;

23 (8) Adopted budget statement shall mean a proposed budget
24 statement which has been adopted or amended and adopted as provided
25 in section 13-506. Such term shall include additions, if any, to an
26 adopted budget statement made by a revised budget which has been
27 adopted as provided in section 13-511;

1 (9) Special reserve fund shall mean any special fund
2 set aside by the governing body for a particular purpose and not
3 available for expenditure for any other purpose. Funds created
4 for (a) the retirement of bonded indebtedness, (b) the funding
5 of employee pension plans, (c) the purposes of the Political
6 Subdivisions Self-Funding Benefits Act, (d) the purposes of the
7 Local Option Municipal Economic Development Act, (e) voter-approved
8 sinking funds, (f) statutorily authorized sinking funds, or (g) the
9 distribution of property tax receipts by a learning community to
10 member school districts shall be considered special reserve funds;

11 (10) Biennial period shall mean the two fiscal years
12 comprising a biennium commencing in odd-numbered years used by
13 a city in determining and carrying on its financial and taxing
14 affairs; and

15 (11) Biennial budget shall mean a budget by a city of
16 the primary or metropolitan class that adopts a charter provision
17 providing for a biennial period to determine and carry on the
18 city's financial and taxing affairs.

19 Sec. 2. Section 32-515, Reissue Revised Statutes of
20 Nebraska, is amended to read:

21 32-515 Candidates for the boards of educational service
22 units, except boards of educational service units with only
23 one member school district, shall be elected to represent the
24 geographical boundaries of the educational service unit as provided
25 in section 79-1217. The terms of members elected in 2008 to
26 represent odd-numbered election districts established pursuant to
27 section 14 of this act shall expire in 2011. The terms of members

1 elected in 2008 to represent even-numbered election districts
2 established under such section shall expire in 2013. Successors
3 to the members elected in 2008 initially appointed to the board
4 shall be elected for terms of four years. County candidates shall
5 file their written applications with the election commissioner or
6 county clerk no later than the deadline prescribed in subsection
7 ~~(2)~~ of section 32-606. Candidates for the position of members at
8 large shall file their written applications with the Secretary of
9 State no later than the deadline prescribed in subsection ~~(2)~~ of
10 section 32-606. Candidates for the board of educational service
11 units shall meet the qualifications found in ~~such~~ section 79-1217.
12 Board members shall be elected on the nonpartisan ballot.

13 Sec. 3. Section 32-607, Reissue Revised Statutes of
14 Nebraska, is amended to read:

15 32-607 All candidate filing forms shall contain the
16 following statement: I hereby swear that I will abide by the laws
17 of the State of Nebraska regarding the results of the primary and
18 general elections, that I am a registered voter and qualified to be
19 elected, and that I will serve if elected. Candidate filing forms
20 shall be filed with the following filing officers:

21 (1) For candidates for national, state, or congressional
22 office, directors of public power and irrigation districts,
23 directors of reclamation districts, directors of natural resources
24 districts, members ~~at large~~ of the boards of educational service
25 units, members of governing boards of community colleges, delegates
26 to national conventions, and other offices filled by election held
27 in more than one county and judges desiring retention, in the

1 office of the Secretary of State;

2 (2) For officers elected within a county, in the office
3 of the election commissioner or county clerk. If the candidate is
4 not a resident of the county, he or she shall submit a certificate
5 of registration obtained under section 32-316 with the candidate
6 filing form;

7 ~~(3) For representatives from the county in which they~~
8 ~~reside on the boards of educational service units, in the office of~~
9 ~~the election commissioner or county clerk;~~

10 ~~(4)~~ (3) For officers in school districts which include
11 land in adjoining counties, in the office of the election
12 commissioner or county clerk of the county in which the greatest
13 number of registered voters entitled to vote for the officers
14 reside. If the candidate is not a resident of the county, he or she
15 shall submit a certificate of registration obtained under section
16 32-316 with the candidate filing form; and

17 ~~(5)~~ (4) For city or village officers, in the office
18 of the city or village clerk, except that in the case of joint
19 elections, the filing may be either in the office of the election
20 commissioner or county clerk or in the office of the city or
21 village clerk with deputized personnel. When the city or village
22 clerk is deputized to take filings, he or she shall return all
23 filings to the office of the election commissioner or county clerk
24 by the end of the next business day following the filing deadline.

25 Sec. 4. Section 79-1012, Revised Statutes Cumulative
26 Supplement, 2006, is amended to read:

27 79-1012 The School District Reorganization Fund is

1 created. The fund shall be administered by the department. The fund
2 shall consist of money transferred from the Education Innovation
3 Fund and shall be used to provide payments to reorganized school
4 districts pursuant to section 79-1011 through June 30, 2008, and
5 to provide temporary funding for aggregation routing equipment and
6 network transport costs for Network Nebraska pursuant to section
7 33 of this act through June 30, 2010. Any money in excess of
8 the difference of two hundred thousand dollars minus any amount
9 previously used to provide temporary funding for aggregation
10 routing equipment and network transport costs for Network Nebraska
11 pursuant to section 33 of this act remaining in the fund on July
12 1, 2008, shall be transferred to the Education Innovation Fund
13 on such date. Any money remaining in the ~~fund~~ School District
14 Reorganization Fund on July 1, 2008, 2010, shall be transferred to
15 the ~~General~~ Education Innovation Fund on such date. Any money in
16 the School District Reorganization Fund available for investment
17 shall be invested by the state investment officer pursuant to
18 the Nebraska Capital Expansion Act and the Nebraska State Funds
19 Investment Act.

20 Sec. 5. Section 79-1018.01, Revised Statutes Cumulative
21 Supplement, 2006, is amended to read:

22 79-1018.01 Local system formula resources include other
23 actual receipts available for the funding of general fund operating
24 expenditures as determined by the department for the second school
25 fiscal year immediately preceding the school fiscal year in which
26 aid is to be paid, except that receipts from the Community
27 Improvements Cash Fund, receipts acquired pursuant to the Low-Level

1 Radioactive Waste Disposal Act, and, beginning with the calculation
2 of state aid to be distributed in school fiscal year 2004-05,
3 tuition receipts from converted contracts shall not be included.

4 Other actual receipts include:

5 (1) Public power district sales tax revenue;

6 (2) Fines and license fees;

7 (3) Tuition receipts from individuals, other districts,
8 or any other source except receipts derived from adult education,
9 tuition receipts from converted contracts, and receipts from
10 educational entities as defined in section 79-1332 for providing
11 distance education courses through the Distance Education Council
12 until July 1, 2008, and the Educational Service Unit Coordinating
13 Council on and after July 1, 2008, to such educational entities;

14 (4) Transportation receipts;

15 (5) Interest on investments;

16 (6) Other miscellaneous noncategorical local receipts,
17 not including receipts from private foundations, individuals,
18 associations, or charitable organizations;

19 (7) Special education receipts, excluding grant funds
20 received pursuant to section 9-812;

21 (8) Special education receipts and non-special education
22 receipts from the state for wards of the court and wards of the
23 state;

24 (9) All receipts from the temporary school fund.
25 Beginning with the calculation of aid for school fiscal year
26 2002-03 and each school fiscal year thereafter, receipts from
27 the temporary school fund shall only include receipts pursuant

1 to section 79-1035 and the receipt of funds pursuant to section
2 79-1036 for property leased for a public purpose as set forth in
3 subdivision (1) (a) of section 77-202;

4 (10) Motor vehicle tax receipts received on or after
5 January 1, 1998;

6 (11) Pro rata motor vehicle license fee receipts;

7 (12) Other miscellaneous state receipts excluding revenue
8 from the textbook loan program authorized by section 79-734;

9 (13) Impact aid entitlements for the school fiscal year
10 which have actually been received by the district to the extent
11 allowed by federal law;

12 (14) All other noncategorical federal receipts;

13 (15) All receipts pursuant to the enrollment option
14 program under sections 79-232 to 79-246;

15 (16) Receipts under the federal Medicare Catastrophic
16 Coverage Act of 1988, as such act existed on May 8, 2001, as
17 authorized pursuant to sections 43-2510 and 43-2511 but only to the
18 extent of the amount the local system would have otherwise received
19 pursuant to the Special Education Act; and

20 (17) Receipts for accelerated or differentiated
21 curriculum programs pursuant to sections 79-1106 to 79-1108.03.

22 Sec. 6. Section 79-1028, Revised Statutes Cumulative
23 Supplement, 2006, as affected by Referendum 2006, No. 422, is
24 amended to read:

25 79-1028 (1) A Class II, III, IV, V, or VI school
26 district may exceed its applicable allowable growth rate for (a)
27 expenditures in support of a service which is the subject of

1 an agreement or a modification of an existing agreement whether
2 operated by one of the parties to the agreement or an independent
3 joint entity or joint public agency, (b) expenditures to pay for
4 repairs to infrastructure damaged by a natural disaster which is
5 declared a disaster emergency pursuant to the Emergency Management
6 Act, (c) expenditures to pay for judgments, except judgments
7 or orders from the Commission of Industrial Relations, obtained
8 against a school district which require or obligate a school
9 district to pay such judgment, to the extent such judgment is not
10 paid by liability insurance coverage of a school district, (d)
11 expenditures to pay for sums agreed to be paid by a school district
12 to certificated employees in exchange for a voluntary termination
13 of employment, or (e) expenditures to pay for lease-purchase
14 contracts approved on or after July 1, 1997, and before July
15 1, 1998, to the extent the lease payments were not budgeted
16 expenditures for fiscal year 1997-98.

17 (2) A Class II, III, IV, V, or VI district may exceed its
18 applicable allowable growth rate by a specific dollar amount if the
19 district projects an increase in formula students in the district
20 over the current school year greater than twenty-five students
21 or greater than those listed in the schedule provided in this
22 subsection, whichever is less. Districts shall project increases
23 in formula students on forms prescribed by the department. The
24 department shall approve, deny, or modify the projected increases.

25	Average daily	Projected increase
26	membership of	of formula students
27	district	by percentage

1	0 - 50	10
2	50.01 - 250	5
3	250.01 - 1,000	3
4	1,000.01 and over	1

5 The department shall compute the district's estimated
6 allowable budget per pupil using the budgeted general fund
7 expenditures found on the budget statement for the current school
8 year divided by the number of formula students in the current
9 school year and multiplied by the district's applicable allowable
10 growth rate. The resulting allowable budget per pupil shall be
11 multiplied by the projected formula students to arrive at the
12 estimated budget needs for the ensuing year. The department
13 shall allow the district to increase its general fund budget
14 of expenditures for the ensuing school year by the amount
15 necessary to fund the estimated budget needs of the district
16 as computed pursuant to this subsection. On or before July
17 1, the department shall make available to districts which have
18 been allowed additional growth pursuant to this subsection the
19 necessary document to recalculate the actual formula students of
20 such district. Such document shall be filed with the department
21 under subsection (1) of section 79-1024.

22 (3) A Class II, III, IV, V, or VI district may exceed
23 its applicable allowable growth rate by a specific dollar amount
24 if construction, expansion, or alteration of district buildings
25 will cause an increase in building operation and maintenance
26 costs of at least five percent. The department shall document
27 the projected increase in building operation and maintenance costs

1 and may allow a Class II, III, IV, V, or VI district to exceed
2 its applicable allowable growth rate by the amount necessary to
3 fund such increased costs. The department shall compute the actual
4 increased costs for the school year and shall notify the district
5 on or before July 1 of the recovery of the additional growth
6 pursuant to this subsection.

7 (4) A Class II, III, IV, V, or VI district may exceed its
8 applicable allowable growth rate by a specific dollar amount if the
9 district demonstrates to the satisfaction of the department that
10 it will exceed its applicable allowable growth rate as a result
11 of costs pursuant to the Retirement Incentive Plan authorized
12 in section 79-855 or the Staff Development Assistance authorized
13 in section 79-856. The department shall compute the amount by
14 which the increased cost of such program or programs exceeds the
15 district's applicable allowable growth rate and shall allow the
16 district to increase its general fund expenditures by such amount
17 for that fiscal year.

18 (5) A Class II, III, IV, or V district may exceed its
19 applicable allowable growth rate by the specific dollar amount of
20 incentive payments or base fiscal year incentive payments to be
21 received in such school fiscal year pursuant to section 79-1011.

22 (6) A Class II, III, IV, V, or VI district may exceed
23 its applicable allowable growth rate by a specific dollar amount
24 in any year for which the state aid calculation for the local
25 system includes students in the qualified early childhood education
26 fall membership of the district for the first time or for a year
27 in which an early childhood education program of the district is

1 receiving an expansion grant. The department shall compute the
2 amount by which the district may exceed the district's applicable
3 allowable growth rate by multiplying the cost grouping cost
4 per student for the applicable cost grouping by the district's
5 adjusted formula students attributed to early childhood education
6 programs if students are included in the district's qualified
7 early childhood education fall membership for the first time or by
8 the district's adjusted formula students attributed to such early
9 childhood education programs minus the district's adjusted formula
10 students attributed to such early childhood education programs for
11 the prior school fiscal year if a program is receiving an expansion
12 grant in the school fiscal year for which the fall membership is
13 measured. The department shall allow the district to increase its
14 general fund expenditures by such amount for such school fiscal
15 year.

16 (7) For school fiscal year 2005-06, a Class II, III, IV,
17 V, or VI district may exceed its applicable allowable growth rate
18 by a specific dollar amount not to exceed seventy-four hundredths
19 percent of the amount budgeted for employee salaries for such
20 school fiscal year. For school fiscal year 2006-07, a Class II,
21 III, IV, V, or VI district may exceed its applicable allowable
22 growth rate by a specific dollar amount not to exceed fifty-nine
23 hundredths percent of the amount budgeted for employee salaries for
24 such school fiscal year.

25 (8) A Class II, III, IV, or V district that is a
26 member of a learning community may exceed its applicable allowable
27 growth rate for the first school fiscal year in which the school

1 district will be a member of a learning community for the full
2 school fiscal year by an amount equal to anticipated increases in
3 transportation expenditures necessary to meet the requirements of
4 subsection (2) of section 79-611 as approved by the department. The
5 department shall approve, deny, or modify the amount allowed
6 for anticipated increases in transportation expenditures. The
7 department shall compute the actual increase in transportation
8 expenditures necessary to meet the requirements of subsection (2)
9 of section 79-611 for such school fiscal year and shall, if needed,
10 modify the district's applicable allowable growth rate for the
11 ensuing school fiscal year.

12 (9) For school fiscal year 2008-09, a Class II, III,
13 IV, or V district may exceed its applicable allowable growth
14 rate by a specific dollar amount if the sum of the poverty
15 allowance, elementary class size allowance, focus school and
16 program allowance, and limited English proficiency allowance for
17 the school district for school fiscal year 2008-09 exceeds the
18 poverty weightings plus limited English proficiency weightings
19 multiplied by the cost grouping cost per student for the school
20 district for school fiscal year 2007-08. The department shall
21 compute the amount by which the district may exceed the applicable
22 allowable growth rate by subtracting the product of the sum of
23 the poverty weightings and limited English proficiency weightings
24 for school fiscal year 2007-08 multiplied by the average formula
25 cost per student in the school district's cost grouping for school
26 fiscal year 2007-08 from the sum of the school fiscal year 2008-09
27 poverty allowance, elementary class size allowance, focus school

1 and program allowance, and limited English proficiency allowance
2 for the school district. The department shall allow the district to
3 increase its general fund expenditures by such amount for school
4 fiscal year 2008-09.

5 (10) For school fiscal year 2009-10 and each school
6 fiscal year thereafter, a Class II, III, IV, or V district may
7 exceed its applicable allowable growth rate by a specific dollar
8 amount if the sum of the poverty allowance, elementary class size
9 allowance, focus school and program allowance, and limited English
10 proficiency allowance for the school district has grown at a rate
11 higher than the applicable allowable growth rate of the district.
12 The department shall compute the amount by which the district
13 may exceed the applicable allowable growth rate by subtracting
14 the product of the sum of the poverty allowance, elementary class
15 size allowance, focus school and program allowance, and limited
16 English proficiency allowance for the immediately preceding school
17 fiscal year multiplied by the sum of one plus the applicable
18 allowable growth rate to be exceeded from the sum of the poverty
19 allowance, elementary class size allowance, focus school and
20 program allowance, and limited English proficiency allowance for
21 the district for the school fiscal year for which the applicable
22 allowable growth rate would be exceeded. The department shall allow
23 the district to increase its general fund expenditures by such
24 amount for the applicable school fiscal year.

25 (11) A Class II, III, IV, or V school district may
26 exceed its applicable allowable growth rate by a specific dollar
27 amount not to exceed the amount received during such school fiscal

1 year from educational entities as defined in section 79-1332 for
2 providing distance education courses through the Distance Education
3 Council until July 1, 2008, and the Educational Service Unit
4 Coordinating Council on and after July 1, 2008, to such educational
5 entities.

6 (12) A Class II, III, IV, or V school district may exceed
7 its applicable allowable growth rate for school fiscal year 2007-08
8 by a specific dollar amount equal to the amount paid in school
9 fiscal year 2006-07 to any distance education consortium in which
10 the school district was participating pursuant to an interlocal
11 agreement.

12 Sec. 7. Section 79-1201, Reissue Revised Statutes of
13 Nebraska, is amended to read:

14 79-1201 Sections 79-1201 to 79-1244 and sections 9, 14
15 to 19, and 23 of this act shall be known and may be cited as the
16 Educational Service Units Act.

17 Sec. 8. Section 79-1201.01, Reissue Revised Statutes of
18 Nebraska, is amended to read:

19 79-1201.01 For purposes of the Educational Service Units
20 Act:

21 (1) Distance education course means a course with at
22 least one student in any of grades kindergarten through twelve
23 who is in a different location than the teacher and taught by a
24 teacher employed by an educational entity utilizing either two-way
25 interactive video or the Internet without two-way interactive
26 video. Distance education course includes a dual-enrollment course
27 with at least one student who is in a different location than the

1 teacher and taught by a teacher employed by an educational entity
2 utilizing either two-way interactive video or the Internet without
3 two-way interactive video;

4 (2) Dual-enrollment course means a course taught to
5 students for credit at both a high school and a postsecondary
6 educational institution;

7 (3) Educational entity means a school district, a
8 private, denominational, or parochial school, an educational
9 service unit, a community college, a state college, the University
10 of Nebraska, or a nonprofit private postsecondary educational
11 institution;

12 (4) Elementary distance education course means a distance
13 education course which is delivered utilizing two-way interactive
14 video to students who are enrolled in any of grades kindergarten
15 through eight;

16 (5) Network Nebraska means the network created pursuant
17 to section 86-5,100;

18 (6) Qualified distance education course means a distance
19 education course which meets any applicable rules and regulations
20 of the State Department of Education, is offered for one semester
21 of high school credit or the equivalent, and for which all of the
22 participating educational entities are required to have access to
23 Network Nebraska;

24 ~~(1)~~ (7) Technical training means training to equip
25 educators with knowledge about the skills and tools necessary
26 to infuse technological resources and software applications into
27 the curriculum to be used in classrooms with and by students

1 and includes, but is not limited to, computer workstation
2 troubleshooting, distance education, educational software, Internet
3 resources, local area network management, multimedia presentation
4 tools, and strategic planning;

5 ~~(2)~~ (8) Technology includes technical training and
6 technology infrastructure; ~~and~~

7 ~~(3)~~ (9) Technology infrastructure means hardware-related
8 items necessary for schools to interact electronically throughout
9 the state, including, but not limited to, physical connections,
10 wiring, servers, routers, switches, domain name service, and
11 operating systems and human resources necessary to maintain
12 infrastructure, including, but not limited to, systems engineers,
13 programmers, webmasters, and help desk staff; and -

14 (10) Two-way interactive video distance education course
15 means a distance education course in which a teacher delivers
16 instruction to students in a different location than the teacher
17 using two-way interactive video on at least two different days per
18 week during the course.

19 Sec. 9. On or before July 31, 2007, and on or before
20 July 31 of each year thereafter, the State Board of Education
21 shall adjust the boundaries of any educational service unit the
22 boundaries of which do not align with the boundaries of the member
23 school districts on July 1 of such year. Such boundary adjustments
24 shall align the boundaries of the educational service unit with
25 the boundaries of the member school districts as the boundaries of
26 the member school districts existed on July 1 of such year. Such
27 boundary adjustments shall be referred to the appropriate county

1 and educational service unit officials, and such officials shall
2 implement the adjustments and make the necessary changes in the
3 educational service unit maps and tax records.

4 Sec. 10. Section 79-1208, Reissue Revised Statutes of
5 Nebraska, is amended to read:

6 79-1208 Petitions to the State Board of Education
7 to change educational service unit boundaries shall include a
8 description of the proposed boundaries and shall be accompanied
9 by a plan of reorganization which shall include (1) a summary
10 of the reasons for the proposed reorganization, (2) a plan for
11 the provision of services to school districts affected by any
12 reorganization plan, (3) ~~in cases~~ when a petition proposes the
13 dissolution of an entire educational service unit or units for
14 attachment to an existing educational service unit or for the
15 merger of two or more educational service units into a new
16 educational service unit, a summary of the terms on which such
17 reorganization is made, including provision for the utilization of
18 existing facilities, equipment, and materials and provision for the
19 disposition of assets and any unbonded indebtedness of affected
20 educational service units, ~~and~~ (4) when a petition deals with the
21 attachment of new territory to an existing educational service
22 unit, verification of approval by majority vote of the receiving
23 educational service unit governing board, and (5) a plan for the
24 establishment of new election districts as required under section
25 79-1217.

26 Sec. 11. Section 79-1211, Reissue Revised Statutes of
27 Nebraska, is amended to read:

1 79-1211 The State Board of Education, within ninety
2 days after the receipt of any ~~such~~ petition described in section
3 79-1208, shall hold a public hearing on the proposed reorganization
4 plan. At the board's option, it may appoint a hearing officer
5 to conduct the public hearing and ~~recommend a decision to issue~~
6 a summary of the evidence presented. The board may also direct
7 the appointed hearing officer to recommend a decision to the
8 board, which recommendation shall not be binding on the board.
9 Within one hundred twenty days after the receipt of such petition,
10 the board shall approve or reject such petition. If the board
11 rejects the petition, it shall clearly state its reasons for such
12 rejection. Approved petitions for reorganization of educational
13 service unit boundaries shall be referred to the appropriate county
14 and educational service unit officials to implement the plan and to
15 make the necessary changes in the educational service unit maps and
16 tax records.

17 Sec. 12. Section 79-1212, Reissue Revised Statutes of
18 Nebraska, is amended to read:

19 79-1212 Members of boards of educational service units
20 existing prior to approval of any plan of reorganization shall
21 serve as board members of educational service units which are
22 reorganized pursuant to sections 79-1206 to 79-1211 until the
23 expiration of their original terms. Such persons shall be members
24 of the board of the reorganized educational service unit in which
25 they reside. Within thirty days after approval of any plan of
26 reorganization by the State Board of Education, the Commissioner of
27 Education shall call a meeting of board members of each educational

1 service unit being reorganized pursuant to sections 79-1206 to
2 79-1211. At such meeting, members of each such board shall appoint
3 one member from each ~~county~~ election district to be created
4 pursuant to the plan of reorganization not having representation
5 on such board to serve until the next general election. The board
6 shall take all necessary action to prepare for operation of the
7 reorganized educational service unit commencing one year following
8 approval of any plan of reorganization by the State Board of
9 Education. Expenses incurred by such board prior to such times
10 shall be prorated between the counties comprising the educational
11 service unit on the basis of the assessed valuation of such
12 counties.

13 Sec. 13. Section 79-1217, Reissue Revised Statutes of
14 Nebraska, is amended to read:

15 79-1217 (1) All educational service units, ~~except~~
16 ~~Educational Service Units No. 18 and 19,~~ shall be governed by a
17 board to be known as the Board of Educational Service Unit No.
18 ~~The~~ Until the first Thursday after the first Tuesday
19 in January 2009, the educational service unit board, except the
20 board of an educational service unit with only one member school
21 district, shall be composed of one member from each county and four
22 members at large, all of whom shall reside within the geographical
23 boundaries of the educational service unit, but no more than two
24 of the members at large shall be appointed or elected from the
25 same county unless any one county within the educational service
26 unit has a population in excess of one hundred fifty thousand
27 inhabitants or the educational service unit consists of only one

1 county. The four candidates who receive the highest number of
2 votes for at-large representative shall be elected, except that
3 if more than two of such candidates reside within the same county
4 which has a population of one hundred fifty thousand inhabitants
5 or less, the candidates from such county receiving fewer votes
6 than the two candidates receiving the highest number of votes for
7 at-large representative from such county shall not be elected and a
8 vacancy or vacancies shall exist for at-large representative. The
9 vacancy shall be filled pursuant to subsection (2) of this section.
10 Beginning on the first Thursday after the first Tuesday in January
11 2009, the educational service unit board, except the board of an
12 educational service unit with only one member school district,
13 shall be composed of one member elected to represent each election
14 district established pursuant to section 14 of this act. Successors
15 to the members initially appointed pursuant to section 79-1212
16 shall be elected pursuant to section 32-515.

17 (2) Vacancies in office shall occur as set forth in
18 section 32-560 except as otherwise provided in section 79-1212
19 regarding the requirement to live in the district represented.
20 Whenever any vacancy occurs on the board, the remaining members
21 of such board shall appoint an individual residing within the
22 geographical boundaries election district of the educational
23 service unit for which the vacancy exists and meeting the
24 qualifications for the office to fill such vacancy for the balance
25 of the unexpired term.

26 (3) Members of the board shall receive no compensation
27 for their services but shall be reimbursed for the actual and

1 necessary expenses incurred in the performance of their duties
2 under the Educational Service Units Act as provided in sections
3 81-1174 to 81-1177.

4 (4) Except as provided in subsection (5) of this section,
5 any joint school district located in two or more counties shall
6 be considered a part of the educational service unit in which the
7 greater number of school-age children of such joint school district
8 reside. ~~All legal voters of any such joint school district shall be~~
9 ~~eligible to hold office as the county representative of the county~~
10 ~~in which the greater number of school-age children reside. Any~~
11 ~~legal voter of any joint school district shall be eligible to hold~~
12 ~~office as the at-large representative if such legal voter resides~~
13 ~~within the geographical boundary of the school district comprising~~
14 ~~the educational service unit.~~

15 (5) Any Class I district which is part of a Class VI
16 district shall be considered a part of the educational service
17 unit of which the Class VI district is a member. If the Class
18 VI district has removed itself from an educational service unit,
19 each Class I district which is part of such Class VI district may
20 continue its existing membership in an educational service unit
21 or may change its status relative to membership in an educational
22 service unit in accordance with section 79-1209. The patrons of a
23 Class I district maintaining membership in an educational service
24 unit pursuant to this subsection shall have the same rights and
25 privileges as other patrons of the educational service unit, and
26 the taxable valuation of the taxable property within the geographic
27 boundaries of such Class I district shall be subject to the

1 educational service unit's tax levy established pursuant to section
2 79-1225.

3 (6) The administrator of each educational service unit,
4 prior to July 1 of each year in which a statewide primary election
5 is to be held, shall certify to the election commissioner or county
6 clerk of each county located within the unit the corporate name
7 of each school district, as described in section 79-405, located
8 within the county. If a school district is a joint school district
9 located in two or more counties, the administrator shall certify to
10 each election commissioner or county clerk the educational service
11 unit of which the school district is considered to be a part.

12 (7) Educational Service Unit No. ~~18~~ service units with
13 only one member school district shall be governed by the school
14 board of ~~School District 55-001 of Lancaster County.~~ such school
15 district.

16 ~~(8) Educational Service Unit No. 19 shall be governed by~~
17 ~~the school board of School District 28-001 of Douglas County.~~

18 Sec. 14. By December 31, 2007, and after each decennial
19 census pursuant to section 32-553, each educational service unit
20 board, except boards of educational service units with only
21 one member school district, shall divide the territory of the
22 educational service unit into at least five and up to twelve
23 numbered districts for the purpose of electing members to the board
24 in compliance with section 32-553. The newly established election
25 districts shall apply beginning with the nomination and election of
26 educational service unit board members in 2008.

27 Sec. 15. The Educational Service Unit Coordinating

1 Council is created as of July 1, 2008. On such date the assets and
2 liabilities of the Distance Education Council shall be transferred
3 to the Educational Service Unit Coordinating Council. The council
4 shall be composed of one administrator from each educational
5 service unit. The council shall be funded from one percent of the
6 core services funding appropriated pursuant to section 79-1241,
7 appropriations by the Legislature for distance education, and fees
8 established for services provided to educational entities.

9 Sec. 16. (1) The Educational Service Unit Coordinating
10 Council shall work toward statewide coordination to provide the
11 most cost-effective services for the students, teachers, and school
12 districts in each educational service unit. The council's duties
13 include, but are not limited to:

14 (a) Preparation of strategic plans to assure the
15 cost-efficient and equitable delivery of services across the state;

16 (b) Administration of statewide initiatives and provision
17 of statewide services; and

18 (c) Coordination of distance education.

19 (2) All activities conducted by the council shall be
20 conducted in accordance with the Open Meetings Act. This section
21 does not require or provide for state control of the operations
22 of any educational service unit or abridge the governance ability,
23 rights, or responsibilities of any educational service unit board.

24 Sec. 17. The Educational Service Unit Coordinating
25 Council shall appoint a distance education director and may appoint
26 a council director, both of whom shall hold office at the pleasure
27 of the council, except that the person serving as the administrator

1 of the Distance Education Council immediately preceding the
2 operative date of this section shall be the initial distance
3 education director under this section. The council director and
4 the distance education director shall receive such salaries as
5 the council determines and shall be reimbursed for their actual
6 expenses incurred in the performance of their duties as provided
7 in sections 81-1174 to 81-1177.

8 The council director and the distance education director
9 shall perform duties as the council directs and shall not be
10 members of the council. The council may also appoint or retain
11 such other persons as it may deem necessary for the performance
12 of its functions and shall prescribe their duties, fix their
13 compensation, and provide for reimbursement of their actual and
14 necessary expenses as provided in sections 81-1174 to 81-1177
15 within the amounts available in the budget of the council.

16 Sec. 18. Section 79-1334, Revised Statutes Cumulative
17 Supplement, 2006, is amended to read:

18 ~~79-1334~~ The powers and duties of the ~~Distance Education~~
19 Educational Service Unit Coordinating Council include, but are not
20 limited to:

21 (1) Providing public access to lists of qualified
22 distance education courses;

23 (2) Collecting and providing school schedules for
24 participating educational entities;

25 (3) Facilitation of scheduling for qualified distance
26 education courses;

27 (4) Brokering of qualified distance education courses to

1 be purchased by educational entities;

2 (5) Assessment of distance education needs and evaluation
3 of distance education services;

4 (6) Compliance with technical standards as set forth
5 by the Nebraska Information Technology Commission and academic
6 standards as set forth by the State Department of Education related
7 to distance education;

8 (7) Establishment of a system for prioritizing courses if
9 the demand for Network Nebraska exceeds the capacity available for
10 distance education and for choosing receiving educational entities
11 when the demand for a course exceeds the capacity as determined by
12 either the technology available or the course provider;

13 (8) Scheduling and prioritization for access to Network
14 Nebraska by educational entities in cooperation with the Chief
15 Information Officer and using scheduling software or scheduling
16 services which meet any applicable standards established by the
17 commission;

18 (9) Administration of learning management systems that
19 are in compliance with any applicable standards of the commission
20 either through the staff of the council or by delegation to an
21 appropriate educational entity with the funding for such systems
22 provided by participating educational entities; and

23 (10) Coordination with educational service units and
24 postsecondary educational institutions to provide assistance for
25 instructional design for both two-way interactive video distance
26 education courses and the offering of graduate credit courses in
27 distance education.

1 Sec. 19. Section 79-1335, Revised Statutes Cumulative
2 Supplement, 2006, is amended to read:

3 ~~79-1335~~ The Distance Education Educational Service Unit
4 Coordinating Council shall only provide assistance in brokering
5 or scheduling courses to educational entities that have access
6 to Network Nebraska. All costs to the council associated with
7 assisting private, denominational, or parochial schools and
8 private postsecondary educational institutions shall be paid by
9 such private, denominational, or parochial school or private
10 postsecondary educational institution. Any services of the council
11 may also be offered to other public entities with access to
12 Network Nebraska on a contractual basis. The council shall not
13 approve technology purchases for the council in excess of ten
14 thousand dollars without approval of the technical panel of the
15 Nebraska Information Technology Commission that the purchases are
16 in compliance with any applicable commission standards.

17 Sec. 20. Section 79-1223, Revised Statutes Cumulative
18 Supplement, 2006, is amended to read:

19 79-1223 In order to carry out the purposes provided in
20 section 79-1204, educational service units may purchase, lease,
21 or lease-purchase real estate, equipment, supplies, services,
22 and personal property for their own use. Educational service
23 units may, either individually or collectively, purchase, lease,
24 lease-purchase, or act as purchase agent for administrative and
25 instructional supplies, instructional equipment, instructional
26 services, and personal property for resale only to educational
27 entities. ~~as defined in section 79-1332.~~ When an educational

1 service unit advertises for bids for administrative or
2 instructional supplies, instructional equipment, instructional
3 services, and personal property, acceptance of any bid submitted
4 to the educational service unit shall obligate the educational
5 service unit to award the contract in accordance with the plans
6 and specifications and in the quantities set forth in the bid
7 documents.

8 Sec. 21. Section 79-1233, Revised Statutes Cumulative
9 Supplement, 2006, is amended to read:

10 79-1233 Each educational service unit shall provide
11 access for all school districts within the geographical area
12 served by the unit to telecomputing resources, which shall include
13 the capacity to receive and transmit distance education courses
14 on at least a regional basis beginning on or before August 1,
15 2007, through the installation of necessary equipment at each
16 educational service unit location or through interlocal agreements
17 with other educational service units and shall provide support for
18 training users to meet their specific telecomputing and distance
19 education needs. School districts may annually elect prior to a
20 date determined by the educational service unit not to connect to
21 such telecomputing resources. Each educational service unit shall
22 also develop, with the State Department of Education, a plan which
23 provides for connecting the telecomputing and distance education
24 equipment of such school districts with the telecomputing and
25 distance education equipment of the unit.

26 The leasing or purchase of and planning for telecomputing
27 or distance education equipment and software for the educational

1 service units shall meet the minimum standards as set by the
2 Nebraska Information Technology Commission. The Chief Information
3 Officer shall bid for such equipment and software and shall allow
4 educational entities as defined in section 79-1332 to participate
5 in such statewide leasing or purchasing contracts. Educational
6 service units may enter into agreements pursuant to the Interlocal
7 Cooperation Act and the Joint Public Agency Act to carry out this
8 section. Such agreements may include, but need not be limited
9 to, provisions requiring any school district having telecomputing
10 or distance education equipment connected to the educational
11 service unit's telecomputing or distance education equipment to
12 pay periodic fees necessary to cover the cost of such usage.

13 Sec. 22. Section 79-1241, Reissue Revised Statutes of
14 Nebraska, is amended to read:

15 79-1241 (1) For fiscal years prior to FY2008-09: Funds
16 appropriated for core services shall be distributed proportionally
17 to each educational service unit by the State Department of
18 Education based on the fall membership in member districts in the
19 preceding school fiscal year, except that no educational service
20 unit shall receive less than two and one-half percent of the funds
21 appropriated for core services.

22 (2) Any funds appropriated for distribution pursuant to
23 this section ~~for school fiscal year 2003-04 and each school fiscal~~
24 ~~year thereafter~~ shall be distributed in ten as nearly as possible
25 equal payments on the first business day of each month beginning
26 in September of each school fiscal year and ending in June.
27 Funds distributed pursuant to this section shall be used for core

1 services with the approval of representatives of two-thirds of the
2 member school districts, representing a majority of the students in
3 the member school districts. If a member school district provides
4 evidence satisfactory to the educational service unit that the
5 district will provide core services for itself in a cost-efficient
6 manner, the educational service unit may distribute funds directly
7 to the district to be used for providing core services, or if all
8 member school districts within the boundaries of an educational
9 service unit together provide evidence satisfactory to the State
10 Department of Education that the districts will provide core
11 services for themselves in a more cost-efficient manner than the
12 educational service unit, the department shall distribute funds
13 directly to the districts to be used for providing core services.

14 (3) If two or more educational service units merge, the
15 resulting merged educational service unit shall, for each of the
16 ~~two~~ three fiscal years following the fiscal year in which the
17 merger takes place, receive core services funds under this section
18 in an amount not less than the total of the core services funds
19 that each of the merging educational service units received in
20 the fiscal year immediately preceding the merger, except that if
21 the appropriation for core services funds for either of the ~~two~~
22 three fiscal years following the fiscal year in which the merger
23 takes place is less than the appropriation for such funds for
24 the fiscal year immediately preceding the merger, core services
25 funds shall be reduced by a percentage equal to the ratio of the
26 difference of such appropriation for the fiscal year immediately
27 preceding the merger minus the appropriation for the fiscal year

1 in question divided by the appropriation for the fiscal year
2 immediately preceding the merger. Thereafter the distribution of
3 core services funds to the merged educational service unit shall be
4 as provided in subsection ~~(1)~~ (2) of this section.

5 Sec. 23. For school fiscal year 2008-09 and each school
6 fiscal year thereafter:

7 (1) One percent of the funds appropriated for core
8 services and technology infrastructure shall be transferred to
9 the Educational Service Unit Coordinating Council. The remainder
10 of such funds shall be distributed pursuant to subdivisions (2)
11 through (6) of this section;

12 (2)(a) The distance education and telecommunications
13 allowance for each educational service unit shall equal eighty-five
14 percent of the difference of the costs for telecommunications
15 services, for access to data transmission networks that transmit
16 data to and from the educational service unit, and for the
17 transmission of data on such networks paid by the educational
18 service unit as reported on the annual financial report for the
19 most recently available complete data year minus the receipts from
20 the federal Universal Service Fund pursuant to 47 U.S.C. 254,
21 as such section existed on January 1, 2007, for the educational
22 service unit as reported on the annual financial report for the
23 most recently available complete data year and minus any receipts
24 from school districts or other educational entities for payment
25 of such costs as reported on the annual financial report of the
26 educational service unit;

27 (b) The base allocation of each educational service unit

1 shall equal two and one-half percent of the funds appropriated for
2 distribution pursuant to this section;

3 (c) The satellite office allocation for each educational
4 service unit shall equal one percent of the funds appropriated
5 for distribution pursuant to this section for each office of
6 the educational service unit, except the educational service unit
7 headquarters, up to the maximum number of satellite offices. The
8 maximum number of satellite offices used for the calculation of
9 the satellite office allocation for any educational service unit
10 shall equal the difference of the ratio of the number of square
11 miles within the boundaries of the educational service unit divided
12 by four thousand minus one with the result rounded to the closest
13 whole number;

14 (d) The statewide adjusted valuation shall equal the
15 total adjusted valuation for all local systems pursuant to section
16 79-1016 used for the calculation of state aid for school districts
17 pursuant to the Tax Equity and Educational Opportunities Support
18 Act for the school fiscal year for which the distribution is being
19 calculated pursuant to this section;

20 (e) The adjusted valuation for each educational service
21 unit shall equal the total adjusted valuation of the member school
22 districts pursuant to section 79-1016 used for the calculation of
23 state aid for school districts pursuant to the act for the school
24 fiscal year for which the distribution is being calculated pursuant
25 to this section;

26 (f) The local effort rate shall equal \$0.0135 per one
27 hundred dollars of adjusted valuation;

1 (g) Except as provided in subdivision (5) of this
2 section, the statewide student allocation shall equal the
3 difference of the sum of the amount appropriated for distribution
4 pursuant to this section plus the product of the statewide adjusted
5 valuation multiplied by the local effort rate minus the distance
6 education and telecommunications allowance, base allocation, and
7 satellite office allocation for all educational service units;

8 (h) The sparsity adjustment for each educational service
9 unit shall equal the sum of one plus one-tenth of the ratio of the
10 square miles within the boundaries of the educational service unit
11 divided by the fall membership of the member school districts for
12 the school fiscal year immediately preceding the school fiscal year
13 for which the distribution is being calculated pursuant to this
14 section;

15 (i) The adjusted students for each educational service
16 unit shall equal the fall membership of the member school districts
17 for the school fiscal year immediately preceding the school fiscal
18 year for which aid is being calculated pursuant to this section
19 multiplied by the educational service unit sparsity adjustment;

20 (j) The per student allocation shall equal the statewide
21 student allocation divided by the total adjusted students for all
22 educational service units;

23 (k) The student allocation for each educational service
24 unit shall equal the per student allocation multiplied by the
25 adjusted students for the educational service units;

26 (l) The needs for each educational service unit shall
27 equal the sum of the distance education and telecommunications

1 allowance, base allocation, satellite office allocation, and
2 student allocation for the educational service unit; and

3 (m) The distribution of core services and technology
4 infrastructure funds for each educational service unit shall equal
5 the needs for each educational service unit minus the product of
6 the adjusted valuation for the educational service unit multiplied
7 by the local effort rate;

8 (3) If an educational service unit is the result of
9 a merger or received new member school districts from another
10 educational service unit, such educational service unit shall,
11 for each of the three fiscal years following the fiscal year in
12 which the merger takes place or the new member school districts
13 are received, receive core services and technology infrastructure
14 funds pursuant to subdivisions (2) through (6) of this section in
15 an amount not less than the core services and technology funds
16 received in the fiscal year immediately preceding the merger or
17 receipt of new member school districts, except that if the total
18 amount available to be distributed pursuant to subdivisions (2)
19 through (6) of this section for such year is less than the
20 total amount distributed pursuant to such subdivisions or sections
21 79-1241 and 79-1243 for the immediately preceding fiscal year, the
22 minimum core services and technology infrastructure funds for each
23 educational service unit pursuant to this subdivision shall be
24 reduced by a percentage equal to the ratio of the difference of
25 the total amount distributed pursuant to subdivisions (2) through
26 (6) of this section or sections 79-1241 and 79-1243 for the
27 immediately preceding fiscal year minus the total amount available

1 to be distributed pursuant to subdivisions (2) through (6) of
2 this section for the fiscal year in question divided by the total
3 amount distributed pursuant to subdivisions (2) through (6) of
4 this section or sections 79-1241 and 79-1243 for the immediately
5 preceding fiscal year. The core services and technology funds
6 received in the fiscal year immediately preceding a merger or
7 receipt of new member school districts for an educational service
8 unit shall equal the amount received in such fiscal year pursuant
9 to subdivisions (2) through (6) of this section or sections 79-1241
10 and 79-1243 by any educational service unit affected by the merger
11 or the transfer of school districts multiplied by a ratio equal
12 to the valuation that was transferred to or retained by the
13 educational service unit for which the minimum is being calculated
14 divided by the total valuation of the educational service unit
15 transferring or retaining the territory;

16 (4) For fiscal years 2008-09 through 2013-14, each
17 educational service unit shall receive core services and technology
18 infrastructure funds under this section in an amount not less
19 than ninety-five percent of the total of the core services and
20 technology funds that the educational service unit received in the
21 immediately preceding fiscal year either pursuant to subdivisions
22 (2) through (6) of this section or pursuant to sections 79-1241
23 and 79-1243, except that if the total amount available to be
24 distributed pursuant to subdivisions (2) through (6) of this
25 section for such year is less than the total amount distributed
26 pursuant to such subdivisions or sections 79-1241 and 79-1243
27 for the immediately preceding fiscal year, the minimum core

1 services and technology infrastructure funds for each educational
2 service unit pursuant to this subdivision shall be reduced by
3 a percentage equal to the ratio of the difference of the total
4 amount distributed pursuant to subdivisions (2) through (6) of
5 this section or sections 79-1241 and 79-1243 for the immediately
6 preceding fiscal year minus the total amount available to be
7 distributed pursuant to subdivisions (2) through (6) of this
8 section for the fiscal year in question divided by the total
9 amount distributed pursuant to subdivisions (2) through (6) of
10 this section or sections 79-1241 and 79-1243 for the immediately
11 preceding fiscal year;

12 (5) If the minimum core services and technology
13 infrastructure funds pursuant to subdivision (3) or (4) of this
14 section for any educational service unit exceed the amount that
15 would otherwise be distributed to such educational service unit
16 pursuant to subdivision (2) of this section, the statewide student
17 allocation shall be reduced such that the total amount to be
18 distributed pursuant to this section equals the appropriation
19 for core services and technology infrastructure funds and no
20 educational service unit receives less than the greater of any
21 minimum amounts calculated for such educational service unit
22 pursuant to subdivisions (3) and (4) of this section; and

23 (6) The State Department of Education shall certify the
24 distribution of core services and technology infrastructure funds
25 pursuant to subdivisions (2) through (6) of this section to each
26 educational service unit on or before July 1, 2008, for school
27 fiscal year 2008-09 and on or before July 1 of each year thereafter

1 for the following school fiscal year. Any funds appropriated for
2 distribution pursuant to this section shall be distributed in ten
3 as nearly as possible equal payments on the first business day
4 of each month beginning in September of each school fiscal year
5 and ending in June. Funds distributed pursuant to this section
6 shall be used for core services and technology infrastructure with
7 the approval of representatives of two-thirds of the member school
8 districts of the educational service unit, representing a majority
9 of the students in the member school districts.

10 Sec. 24. Section 79-1241.01, Revised Statutes Cumulative
11 Supplement, 2006, is amended to read:

12 79-1241.01 To carry out sections 79-1241 and 79-1243
13 and section 23 of this act, it is the intent of the Legislature
14 to appropriate for each fiscal year the amount appropriated in
15 the prior year increased by the percentage growth in the fall
16 membership of member districts plus the basic allowable growth
17 rate described in section 79-1025. For purposes of this section,
18 fall membership has the same meaning as in section 79-1003. Fall
19 membership data used to compute growth shall be from the two most
20 recently available fall membership reports.

21 Sec. 25. Section 79-1241.02, Revised Statutes Cumulative
22 Supplement, 2006, is amended to read:

23 79-1241.02 It is the intent of the Legislature that any
24 funds appropriated pursuant to ~~the intent of~~ section 79-1241.01 or
25 79-1243 or section 23 of this act and used for technology-related
26 projects or technology initiatives undertaken by an educational
27 service unit follow the review process established in sections

1 86-512 to 86-524, including the review by the technical panel of
2 the Nebraska Information Technology Commission.

3 Sec. 26. Section 79-1243, Revised Statutes Cumulative
4 Supplement, 2006, is amended to read:

5 79-1243 For school fiscal years prior to school fiscal
6 year 2008-09:

7 (1) Funds appropriated for technology infrastructure
8 shall be distributed proportionally to each educational service
9 unit by the State Department of Education based on the fall
10 membership of member districts in the preceding school fiscal year,
11 except that no educational service unit shall receive less than
12 the sum of (a) two and one-half percent of the funds appropriated
13 for technology infrastructure plus (b) eighty-five percent of the
14 difference of the costs for telecommunications services, for access
15 to data transmission networks that transmit data to and from the
16 educational service unit, and for the transmission of data on such
17 networks paid by the educational service unit as reported on the
18 annual financial report for the most recently available complete
19 data year minus the receipts from the federal Universal Service
20 Fund pursuant to section 254 of the Telecommunications Act of 1996,
21 47 U.S.C. 254, as such section existed on January 1, 2006, for the
22 educational service unit as reported on the annual financial report
23 for the most recently available complete data year and minus any
24 receipts from school districts or other educational entities for
25 payment of such costs as reported on the annual financial report of
26 the educational service unit; -

27 (2) Any funds appropriated for distribution pursuant to

1 this section shall be distributed in ten as nearly as possible
2 equal payments on the first business day of each month beginning
3 in September of each school fiscal year and ending in June. Funds
4 distributed pursuant to this section shall be used for technology
5 infrastructure with the approval of representatives of two-thirds
6 of the member school districts, representing a majority of the
7 students in the member school districts; and -

8 (3) If two or more educational service units merge, the
9 resulting merged educational service unit shall, for each of the
10 ~~two~~ three fiscal years following the fiscal year in which the
11 merger takes place, receive technology infrastructure funds under
12 this section in an amount not less than the total of the technology
13 infrastructure funds that each of the merging educational service
14 units received in the fiscal year immediately preceding the merger,
15 except that if the appropriation for technology infrastructure
16 funds for either of the ~~two~~ three fiscal years following the
17 fiscal year in which the merger takes place is less than the
18 appropriation for such funds for the fiscal year immediately
19 preceding the merger, technology infrastructure funds shall be
20 reduced by a percentage equal to the ratio of the difference of
21 such appropriation for the fiscal year immediately preceding the
22 merger minus the appropriation for the fiscal year in question
23 divided by the appropriation for the fiscal year immediately
24 preceding the merger. Thereafter the distribution of technology
25 infrastructure funds to the merged educational service unit shall
26 be as provided in ~~subsection~~ subdivision (1) of this section.

27 Sec. 27. Section 79-1304, Revised Statutes Cumulative

1 Supplement, 2006, is amended to read:

2 79-1304 The Educational Technology Center has, but is not
3 limited to, the following specific duties:

4 (1) To evaluate Internet-based distance education
5 courses;

6 (2) To provide clearinghouse services for information
7 concerning current technology projects as well as software and
8 hardware development;

9 (3) To serve as a demonstration site for state-of-the-art
10 hardware appropriate to an educational setting;

11 (4) To provide technical assistance to educators in
12 working with hardware and software;

13 (5) To provide inservice and preservice training for
14 educators, in conjunction with other educational entities as
15 defined in section ~~79-1332~~, 79-1201.01, in the use of computers,
16 telecommunications, and other electronic technologies appropriate
17 to an educational setting;

18 (6) To sponsor activities which promote the use of
19 technology in the classroom;

20 (7) To serve as a liaison between business and education
21 interests in technology communication;

22 (8) To experiment with various applications or technology
23 in education;

24 (9) To assist schools in planning for and selecting
25 appropriate technologies;

26 (10) To design, implement, and evaluate pilot projects
27 to assess the usefulness of technologies in school management,

1 curriculum, instruction, and learning;

2 (11) To seek partnerships with the Nebraska Educational
3 Telecommunications Commission, the University of Nebraska, the
4 state colleges, community colleges, educational service units, the
5 Nebraska Library Commission, and other public and private entities
6 in order to make effective use of limited resources;

7 (12) To encourage sharing among school districts to
8 deliver cost-efficient and effective distance learning; and

9 (13) To identify, evaluate, and disseminate information
10 on school projects which have the potential to enhance the quality
11 of instruction or learning.

12 Sec. 28. Section 79-1336, Revised Statutes Cumulative
13 Supplement, 2006, is amended to read:

14 79-1336 (1) For fiscal years 2007-08 through 2013-14,
15 the State Department of Education shall provide distance education
16 equipment reimbursement to school districts and educational service
17 units from the Education Innovation Fund as provided in this
18 section. Such reimbursements shall be for hardware or software
19 purchased after July 14, 2006, for use in distance education
20 and shall be limited to a total through fiscal year 2013-14 of
21 twenty thousand dollars multiplied by the number of high school
22 buildings for each school district and twenty thousand dollars
23 for each educational service unit office with a distance education
24 classroom, except that no educational service unit shall count
25 more than one office with a distance education classroom for each
26 four thousand square miles within the boundaries of the educational
27 service unit. If a school district has one or more former high

1 school buildings that are no longer being used as high school
2 buildings due to a school district merger and such buildings have
3 distance education classrooms at the time of application, such
4 buildings shall be deemed high school buildings for the purposes
5 of this subsection. The reimbursements may include installation
6 costs for such hardware or software. Applications shall be accepted
7 by the department beginning in the first year that the school
8 district or the educational service unit accesses Network Nebraska
9 and ending June 30, 2013. Applications shall be submitted on or
10 before July 1 of each year on a form specified by the department
11 and shall include:

12 (a) A description of the hardware or software purchased
13 and how the hardware or software will be used for distance
14 education;

15 (b) Copies of receipts for the purchases to be
16 reimbursed; and

17 (c) For school districts, a commitment to either send
18 or receive two-way interactive video distance education courses
19 through the Distance Education Council until July 1, 2008, and the
20 Educational Service Unit Coordinating Council on and after July
21 1, 2008, each semester, or the equivalent of two semester courses
22 each year, for four years and to apply for distance education
23 incentives pursuant to section 79-1337 or to provide any other
24 evidence required by the department to show that the commitment was
25 met.

26 (2) On or before August 1 of each year, the department
27 shall certify the reimbursements to be paid to each school district

1 or educational service unit on or before September 1 of each year.

2 (3) The department shall use the applications for
3 distance education incentives submitted pursuant to section 79-1337
4 and any other information requested by the department pursuant to
5 rules and regulations of the department to verify that each school
6 district that received a reimbursement completes the commitment to
7 either send or receive two-way interactive video distance education
8 courses through the ~~Distance Education Council~~ council for four
9 years. Any school district failing to complete such commitment
10 shall repay the Education Innovation Fund for the amount of any
11 reimbursements received pursuant to this section. On or before
12 September 1 of each year, the department shall notify any school
13 district failing to complete the commitment for the prior school
14 year that repayment of the reimbursement is required and the
15 amount of such repayment. Repayments shall be due on or before the
16 immediately following December 31. Late repayments shall accrue
17 interest at the rate prescribed in section 45-104.02 from the date
18 of the initial reimbursement.

19 (4) On or before October 1 of each year, a school
20 district or educational service unit may appeal the denial of
21 reimbursements or a school district may appeal the requirement to
22 repay reimbursements to the State Board of Education. The board
23 shall allow a representative of the school district or educational
24 service unit an opportunity to present information concerning the
25 appeal to the board at the November board meeting. If the board
26 finds that the department denied the reimbursement in error, the
27 department shall pay the district or educational service unit from

1 the Education Innovation Fund as soon as practical the amount which
2 was denied in error. If the board finds that the department erred
3 in notifying a school district that a reimbursement is required to
4 be repaid, such notification shall be void.

5 (5) The State Board of Education shall adopt and
6 promulgate rules and regulations to carry out this section.

7 Sec. 29. Section 79-1337, Revised Statutes Cumulative
8 Supplement, 2006, is amended to read:

9 79-1337 (1) For fiscal years 2007-08 through 2015-16,
10 the State Department of Education shall provide distance education
11 incentives from the Education Innovation Fund to school districts
12 and educational service units for qualified distance education
13 courses and coordinated through the Distance Education Council
14 until July 1, 2008, and the Educational Service Unit Coordinating
15 Council on and after July 1, 2008, as provided in this section.

16 (2) School districts and educational service units shall
17 apply for incentives annually to the department on or before August
18 1 on a form specified by the department. The application shall:

19 (a) For school districts, specify (i) the qualified
20 distance education courses which were received by students in the
21 membership of the district in the then-current school fiscal year
22 and which were not taught by a teacher employed by the school
23 district and (ii) for each such course (A) the number of students
24 in the membership of the district who received the course, (B)
25 the educational entity employing the teacher, and (C) whether the
26 course was a two-way interactive video distance education course;
27 and

1 (b) For school districts and educational service units,
2 specify (i) the qualified distance education courses which were
3 received by students in the membership of another educational
4 entity in the then-current school fiscal year and which were
5 taught by a teacher employed by the school district or educational
6 service unit, (ii) for each such course for school districts,
7 the number of students in the membership of the district who
8 received the course, and (iii) for each such course (A) the other
9 educational entities in which students received the course and how
10 many students received the course at such educational entities,
11 (B) any school districts in the sparse cost grouping or the very
12 sparse cost grouping as described in section 79-1007.02 that had
13 at least one student in the membership who received the course,
14 and (C) whether the course was a two-way interactive video distance
15 education course.

16 (3) On or before September 1 of each year, the department
17 shall certify the incentives to be paid to each school district and
18 educational service unit on or before October 1 of each year. The
19 incentives for each district shall be calculated as follows:

20 (a) Each district shall receive distance education units
21 for each qualified distance education course as follows:

22 (i) One distance education unit for each qualified
23 distance education course received as reported pursuant to
24 subdivision (2)(a) of this section if the course was a two-way
25 interactive video distance education course;

26 (ii) One distance education unit for each qualified
27 distance education course sent as reported pursuant to subdivision

1 (2) (b) of this section if the course was not received by at least
2 one student who was in the membership of another school district
3 which was in the sparse cost grouping or the very sparse cost
4 grouping;

5 (iii) One distance education unit for each qualified
6 distance education course sent as reported pursuant to subdivision
7 (2) (b) of this section if the course was received by at least
8 one student who was in the membership of another school district
9 which was in the sparse cost grouping or the very sparse cost
10 grouping, but the course was not a two-way interactive video
11 distance education course; and

12 (iv) Two distance education units for each qualified
13 distance education course sent as reported pursuant to subdivision
14 (2) (b) of this section if the course was received by at least one
15 student who was in the membership of another school district which
16 was in the sparse cost grouping or the very sparse cost grouping
17 and the course was a two-way interactive video distance education
18 course;

19 (b) The difference of the amount available for
20 distribution in the Education Innovation Fund on the August 1 when
21 the applications were due minus any amount to be paid to school
22 districts pursuant to section 79-1336 shall be divided by the
23 number of distance education units to determine the incentive per
24 distance education unit, except that the incentive per distance
25 education unit shall not equal an amount greater than one thousand
26 dollars; and

27 (c) The incentives for each school district shall equal

1 the number of distance education units calculated for the school
2 district multiplied by the incentive per distance education unit.

3 (4) If there are additional funds available for
4 distribution after equipment reimbursements pursuant to section
5 79-1336 and incentives calculated pursuant to subsections (1)
6 through (3) of this section, school districts and educational
7 service units may qualify for additional incentives for elementary
8 distance education courses. Such incentives shall be calculated
9 for sending and receiving school districts and educational service
10 units as follows:

11 (a) The per-hour incentives shall equal the funds
12 available for distribution after equipment reimbursements pursuant
13 to section 79-1336 and incentives calculated pursuant to
14 subsections (1) through (3) of this section divided by the sum of
15 the hours of elementary distance education courses sent or received
16 for each school district and educational service unit submitting
17 an application, except that the per-hour incentives shall not be
18 greater than ten dollars; and

19 (b) The elementary distance education incentives for
20 each school district and educational service unit shall equal the
21 per-hour incentive multiplied by the hours of elementary distance
22 education courses sent or received by the school district or
23 educational service unit.

24 ~~(4)~~ (5) The department may verify any or all application
25 information using annual curriculum reports and may request such
26 verification from the Distance Education Council. council.

27 ~~(5)~~ (6) On or before October 1 of each year, a school

1 district or educational service unit may appeal the denial of
2 incentives for any course by the department to the State Board of
3 Education. The board shall allow a representative of the school
4 district or educational service unit an opportunity to present
5 information concerning the appeal to the board at the November
6 board meeting. If the board finds that the course meets the
7 requirements of this section, the department shall pay the district
8 from the Education Innovation Fund as soon as practical in an
9 amount for which the district or educational service unit should
10 have qualified based on the incentive per distance education unit
11 used in the original certification of incentives pursuant to this
12 section.

13 ~~(6)~~ (7) The State Board of Education shall adopt and
14 promulgate rules and regulations to carry out this section.

15 Sec. 30. Section 84-304, Revised Statutes Cumulative
16 Supplement, 2006, is amended to read:

17 84-304 It shall be the duty of the Auditor of Public
18 Accounts:

19 (1) To give information in writing to the Legislature,
20 whenever required, upon any subject relating to the fiscal affairs
21 of the state or with regard to any duty of his or her office;

22 (2) To furnish offices for himself or herself and all
23 fuel, lights, books, blanks, forms, paper, and stationery required
24 for the proper discharge of the duties of his or her office;

25 (3) To examine or cause to be examined, at such time
26 as he or she shall determine, books, accounts, vouchers, records,
27 and expenditures of all state officers, state bureaus, state

1 boards, state commissioners, the state library, societies and
2 associations supported by the state, state institutions, state
3 colleges, and the University of Nebraska, except when required to
4 be performed by other officers or persons. Such examinations shall
5 be done in accordance with generally accepted government auditing
6 standards for financial audits and attestation engagements set
7 forth in Government Auditing Standards (2003 Revision), published
8 by the Comptroller General of the United States, General Accounting
9 Office, and except as provided in subdivision (12) of this section,
10 subdivision (16) of section 50-1205, and section 84-322, shall
11 not include performance audits, whether conducted pursuant to
12 attestation engagements or performance audit standards as set forth
13 in Government Auditing Standards (2003 Revision), published by
14 the Comptroller General of the United States, General Accounting
15 Office;

16 (4) (a) To examine or cause to be examined, at the expense
17 of the political subdivision, when the Auditor of Public Accounts
18 determines such examination necessary or when requested by the
19 political subdivision, the books, accounts, vouchers, records, and
20 expenditures of any agricultural association formed under Chapter
21 2, article 20, any county agricultural society, any joint airport
22 authority formed under the Joint Airport Authorities Act, any
23 city or county airport authority, any bridge commission created
24 pursuant to section 39-868, any cemetery district, any development
25 district, any drainage district, any health district, any local
26 public health department as defined in section 71-1626, any
27 historical society, any hospital authority or district, any county

1 hospital, any housing agency as defined in section 71-1575, any
2 irrigation district, any county or municipal library, any community
3 mental health center, any railroad transportation safety district,
4 any rural water district, any township, Wyuka Cemetery, the
5 Educational Service Unit Coordinating Council, any entity created
6 pursuant to the Interlocal Cooperation Act which includes either
7 the participation of the Educational Service Unit Coordinating
8 Council or any educational service unit, any village, any political
9 subdivision with the authority to levy a property tax or a toll,
10 or any entity created pursuant to the Joint Public Agency Act which
11 has separately levied a property tax based on legal authority for
12 a joint public agency to levy such a tax independent of the public
13 agencies forming such joint public agency.

14 (b) The Auditor of Public Accounts may waive the
15 audit requirement of subdivision (4)(a) of this section upon
16 the submission by the political subdivision of a written request
17 in a form prescribed by the auditor. The auditor shall notify the
18 political subdivision in writing of the approval or denial of the
19 request for a waiver;

20 (5) To report promptly to the Governor and the
21 appropriate standing committee of the Legislature the fiscal
22 condition shown by such examinations conducted by the auditor,
23 including any irregularities or misconduct of officers or
24 employees, any misappropriation or misuse of public funds or
25 property, and any improper system or method of bookkeeping or
26 condition of accounts. In addition, if, in the normal course of
27 conducting an audit in accordance with subdivision (3) of this

1 section, the auditor discovers any potential problems related to
2 the effectiveness, efficiency, or performance of state programs, he
3 or she shall immediately report them in writing to the Legislative
4 Performance Audit Committee which may investigate the issue
5 further, report it to the appropriate standing committee of the
6 Legislature, or both;

7 (6) (a) To examine or cause to be examined the books,
8 accounts, vouchers, records, and expenditures of a fire protection
9 district. The expense of the examination shall be paid by the
10 political subdivision.

11 (b) Whenever the expenditures of a fire protection
12 district are one hundred fifty thousand dollars or less per
13 fiscal year, the fire protection district shall be audited no more
14 than once every five years except as directed by the board of
15 directors of the fire protection district or unless the auditor
16 receives a verifiable report from a third party indicating any
17 irregularities or misconduct of officers or employees of the fire
18 protection district, any misappropriation or misuse of public funds
19 or property, or any improper system or method of bookkeeping or
20 condition of accounts of the fire protection district. In the
21 absence of such a report, the auditor may waive the five-year
22 audit requirement upon the submission of a written request by the
23 fire protection district in a form prescribed by the auditor. The
24 auditor shall notify the fire protection district in writing of
25 the approval or denial of a request for waiver of the five-year
26 audit requirement. Upon approval of the request for waiver of the
27 five-year audit requirement, a new five-year audit period shall

1 begin.

2 (c) Whenever the expenditures of a fire protection
3 district exceed one hundred fifty thousand dollars in a fiscal
4 year, the auditor may waive the audit requirement upon the
5 submission of a written request by the fire protection district
6 in a form prescribed by the auditor. The auditor shall notify the
7 fire protection district in writing of the approval or denial of a
8 request for waiver. Upon approval of the request for waiver, a new
9 five-year audit period shall begin for the fire protection district
10 if its expenditures are one hundred fifty thousand dollars or less
11 per fiscal year in subsequent years;

12 (7) To appoint two assistant deputies (a) whose entire
13 time shall be devoted to the service of the state as directed by
14 the auditor, (b) who shall be certified public accountants with at
15 least five years' experience, (c) who shall be selected without
16 regard to party affiliation or to place of residence at the time
17 of appointment, (d) who shall promptly report in duplicate to the
18 auditor the fiscal condition shown by each examination, including
19 any irregularities or misconduct of officers or employees, any
20 misappropriation or misuse of public funds or property, and any
21 improper system or method of bookkeeping or condition of accounts,
22 and it shall be the duty of the auditor to file promptly with the
23 Governor a duplicate of such report, and (e) who shall qualify by
24 taking an oath which shall be filed in the office of the Secretary
25 of State;

26 (8) To conduct audits and related activities for state
27 agencies, political subdivisions of this state, or grantees of

1 federal funds disbursed by a receiving agency on a contractual
2 or other basis for reimbursement to assure proper accounting by
3 all such agencies, political subdivisions, and grantees for funds
4 appropriated by the Legislature and federal funds disbursed by
5 any receiving agency. The auditor may contract with any political
6 subdivision to perform the audit of such political subdivision
7 required by or provided for in section 23-1608 or 79-1229 or this
8 section and charge the political subdivision for conducting the
9 audit. The fees charged by the auditor for conducting audits on a
10 contractual basis shall be in an amount sufficient to pay the cost
11 of the audit. The fees remitted to the auditor for such audits and
12 services shall be deposited in the Auditor of Public Accounts Cash
13 Fund;

14 (9) To conduct all audits and examinations in a timely
15 manner and in accordance with the standards for audits of
16 governmental organizations, programs, activities, and functions
17 published by the Comptroller General of the United States;

18 (10) To develop a plan for implementing on-line
19 filing of budgeted and actual financial information by political
20 subdivisions. Such plan shall describe the technology and staff
21 resources necessary to implement on-line filing of such information
22 and the costs of these resources. Such plan shall be presented to
23 the Clerk of the Legislature on or before January 15, 2003;

24 (11) To develop and maintain an annual budget and actual
25 financial information reporting system that is accessible on-line
26 by the public; and

27 (12) When authorized, to conduct joint audits with the

1 Legislative Performance Audit Committee as described in section
2 50-1205.

3 Sec. 31. Section 86-515, Revised Statutes Cumulative
4 Supplement, 2006, is amended to read:

5 86-515 (1) The Nebraska Information Technology Commission
6 is created. The commission shall consist of (a) one member
7 representing elementary and secondary education, (b) one member
8 representing postsecondary education, (c) the Governor or his or
9 her designee, (d) one member representing communities, and (e)
10 five members representing the general public who have experience
11 in developing strategic plans and making high-level business
12 decisions. At any time that there is not a member of the ~~Distance~~
13 ~~Education~~ Educational Service Unit Coordinating Council serving
14 on the Nebraska Information Technology Commission, the technical
15 panel established pursuant to section 86-521, or any working groups
16 established pursuant to sections 86-512 to 86-524 that establish,
17 coordinate, or prioritize needs for education, the Governor shall
18 appoint to the commission one member who serves on the ~~Distance~~
19 ~~Education~~ Educational Service Unit Coordinating Council.

20 (2) The Governor or a designee of the Governor shall
21 serve as chairperson of the commission.

22 (3) The members of the commission shall be appointed by
23 the Governor with the approval of a majority of the Legislature.
24 Members of the commission shall serve for terms of four years,
25 except that two members initially appointed to represent the
26 general public shall be appointed for a term of two years and any
27 member appointed to represent the ~~Distance~~ ~~Education~~ Educational

1 Service Unit Coordinating Council shall be appointed for a term
2 of one year. Members shall be limited to two consecutive terms.
3 The Governor or his or her designee shall serve on the commission
4 for his or her term. Each member shall serve until the appointment
5 and qualification of his or her successor. In case of a vacancy
6 occurring prior to the expiration of the term of a member, the
7 appointment shall be made only for the remainder of the term.

8 (4) Members shall be reimbursed for their actual and
9 necessary expenses as provided in sections 81-1174 to 81-1177.

10 (5) The commission may employ or designate an executive
11 director to provide administrative and operational support for
12 the commission. The Department of Administrative Services and
13 Nebraska Educational Telecommunications Commission shall assist
14 with administrative and operational support for the Nebraska
15 Information Technology Commission as necessary to carry out its
16 duties.

17 Sec. 32. Section 86-5,100, Revised Statutes Cumulative
18 Supplement, 2006, is amended to read:

19 86-5,100 The Chief Information Officer, in partnership
20 with the University of Nebraska, shall develop and maintain a
21 statewide, multipurpose, high capacity, scalable telecommunications
22 network to be called Network Nebraska. The network shall consist
23 of contractual arrangements with providers to meet the demand
24 of state agencies, local governments, and educational entities
25 as defined in section ~~79-1332.~~ 79-1201.01. Such network shall
26 provide access to a reliable and affordable infrastructure capable
27 of carrying a spectrum of services and applications, including

1 distance education, across the state. The Chief Information Officer
2 shall provide access to each school district, each educational
3 service unit, each community college, each state college, and
4 the University of Nebraska at the earliest feasible date and
5 no later than July 1, 2012. Access may be provided through
6 educational service units or other aggregation points. The Chief
7 Information Officer shall aggregate demand for those state agencies
8 and educational entities choosing to participate and shall reduce
9 costs for participants whenever feasible. The Chief Information
10 Officer shall establish a cost structure based on actual costs plus
11 administrative expenses and shall charge participants according to
12 such cost structure.

13 Sec. 33. (1) For fiscal years 2007-08 through 2009-10,
14 the State Department of Education shall provide temporary funding
15 for aggregation routing equipment and network transport costs
16 for Network Nebraska to the Chief Information Officer from the
17 School District Reorganization Fund as provided in this section.
18 Such temporary funding shall be for the purchase of aggregation
19 routing equipment, installation costs for such equipment, and
20 network transport for Network Nebraska and shall be repaid to the
21 Education Innovation Fund on or before June 30, 2010, by the Chief
22 Information Officer from funds collected for the administration of
23 Network Nebraska. The total temporary funding provided pursuant to
24 this section shall be limited to two hundred thousand dollars.
25 Applications jointly submitted by the Chief Information Officer and
26 the University of Nebraska shall be accepted by the department
27 beginning on the operative date of this section. Applications shall

1 be on a form specified by the department and shall include a
2 description of the aggregation routing equipment to be purchased,
3 a description of how the aggregation routing equipment will be
4 used for distance education, the network transport costs to be
5 supported, and a timeline for repayment to the School District
6 Reorganization Fund. Late repayments shall accrue interest at the
7 rate prescribed in section 45-104.02 from the date of the initial
8 receipt of temporary funding.

9 (2) The Chief Information Officer or the University of
10 Nebraska may appeal the denial of temporary funding for aggregation
11 routing equipment and network transport costs for Network Nebraska
12 or the assessment of interest to the State Board of Education. The
13 board shall allow a representative of the Chief Information Officer
14 or the University of Nebraska an opportunity to present information
15 concerning the appeal to the board at the first board meeting after
16 the filing of such appeal. If the board finds that the department
17 denied the temporary funding in error, the department shall pay the
18 Chief Information Officer from the School District Reorganization
19 Fund as soon as practical the amount which was denied in error. If
20 the board finds that the department erred in assessing interest,
21 such assessment of interest shall be corrected.

22 (3) The State Board of Education may adopt and promulgate
23 rules and regulations to carry out this section.

24 Sec. 34. Sections 1, 8, 15, 16, 17, 18, 19, 20, 21, 27,
25 30, 31, 32, 35, and 38 of this act become operative on July 1,
26 2008. Sections 4, 7, 9, 11, 33, 34, 37, and 39 become operative
27 on their effective date. The other sections of this act become

1 operative three calendar months after the adjournment of this
2 legislative session.

3 Sec. 35. Original section 79-1201.01, Reissue Revised
4 Statutes of Nebraska, and sections 13-503, 79-1223, 79-1233,
5 79-1304, 79-1334, 79-1335, 84-304, 86-515, and 86-5,100, Revised
6 Statutes Cumulative Supplement, 2006, are repealed.

7 Sec. 36. Original sections 32-515, 32-607, 79-1208,
8 79-1212, 79-1217, and 79-1241, Reissue Revised Statutes of
9 Nebraska, sections 79-1018.01, 79-1241.01, 79-1241.02, 79-1243,
10 79-1336, and 79-1337, Revised Statutes Cumulative Supplement, 2006,
11 and section 79-1028, Revised Statutes Cumulative Supplement, 2006,
12 as affected by Referendum 2006, No. 422, are repealed.

13 Sec. 37. Original sections 79-1201 and 79-1211, Reissue
14 Revised Statutes of Nebraska, and section 79-1012, Revised Statutes
15 Cumulative Supplement, 2006, are repealed.

16 Sec. 38. The following sections are outright repealed:
17 Sections 79-1332 and 79-1333, Revised Statutes Cumulative
18 Supplement, 2006.

19 Sec. 39. Since an emergency exists, this act takes effect
20 when passed and approved according to law.

21 2. On page 1, strike lines 2 through 8 and insert
22 "sections 32-515, 32-607, 79-1201, 79-1201.01, 79-1208, 79-1211,
23 79-1212, 79-1217, and 79-1241, Reissue Revised Statutes of
24 Nebraska, sections 13-503, 79-1012, 79-1018.01, 79-1223, 79-1233,
25 79-1241.01, 79-1241.02, 79-1243, 79-1304, 79-1334, 79-1335,
26 79-1336, 79-1337, 84-304, 86-515, and 86-5,100, Revised Statutes
27 Cumulative Supplement, 2006, and section 79-1028, Revised Statutes

1 Cumulative Supplement, 2006, as affected by Referendum 2006, No.
2 422; to change provisions relating to election of board members; to
3 provide a formula and change provisions relating to core services
4 and technology infrastructure funding; to define terms; to change
5 provisions relating to distance education, unit boundaries, and
6 board membership; to provide for election districts; to eliminate
7 and create councils; to provide a duty for the Auditor of Public
8 Accounts; to harmonize provisions; to provide operative dates; to
9 repeal the original sections; to outright repeal sections 79-1332
10 and 79-1333, Revised Statutes Cumulative Supplement, 2006; and to
11 declare an emergency."